



**Minutes of the Finance Committee Meeting of 22 September 2014**

**PRESENT:** Provost (in the Chair), Vice-Provost/Chief Academic Officer (VP/CAO), Bursar, Registrar (for Minutes 1-5), Dean of Arts, Humanities & Social Sciences, President of the Students Union, Mr. J. Gorringe, Ms. C. Curtis, Chief Financial Officer (CFO) – Secretary of the Committee.

**IN**

**ATTENDANCE:** Deputy Chief Financial Officer, Director of Financial Planning & Risk Management

**APOLOGIES** Interim Chief Operating Officer (COO), Professor Peter Coxon

The minutes of the Finance Committee meeting of 12 June 2014, along with an update on open action items, were noted and approved.

The Provost welcomed the new President of the Students Union, the Dean of Arts Humanities and Social Sciences, Professor Peter Coxon and the Deputy CFO.

**Section A**

**FN/14 - 15/1      Policy on charging PI time to Horizon 2020 Awards**

**XX**      The Interim Research Accounting Manager attended for this item.

The Committee considered the circulated memorandum from the Interim Research Accounting Manager dated 15.09.2014 which set out a proposed policy in relation to the charging of PI time to awards funded under the Horizon 2020 Programme, which had previously been considered and endorsed by the Planning Group at its meeting of 24.06.2014.

In considering the detail of the proposals as set out, including the ongoing requirement (similar to previous EU funding cycles) to include a time-costing at proposal stage and that the income generated would be allocated via the ABC process, the Committee noted the eligibility of PI time as a direct cost under the Programme along with the associated potential income stream for College. Having further noted the recommendations set out, specifically that time claimed should be reasonable and auditable and that unfunded direct salary costs would be a first call on against PI time claimed, the Committee recommended the proposed policy as set out for onward consideration and approval by Board.

**Action**

**1.1**      The proposed policy in relation to the charging of PI time under the Horizon 2020 Programme was recommended as set out for onward consideration and approval by Board.

**FN/14 - 15/2      Treasury Management Policy – Derogation Request**

**XX**      The Financial Planning Manager attended for this item

In considering the circulated memorandum from the Financial Planning Manager dated 15.09.2014, the Committee noted the supporting information provided in relation the derogations sought from the current Treasury Management Policy and detail of the opportunity now available to the College. In the context of the potential additional income for College arising from the derogations sought and noting the risks as outlined, the Committee recommended the proposed derogations for onward consideration and approval by Board.

**Action:**

**2.1**      The Committee recommended the proposed derogations from the Treasury Management Policy for onward consideration and approval by Board.

## Section B

### **FN/14 - 15/3      START Program – Review of Governance Arrangements**

The CFO advised the Committee that, following consideration of the reporting framework for key College Strategies by the Executive Officer Group, bi-annual reports from the Global Relations, On-Line Education, Commercialisation, Industry Engagement and Research Funding Diversification Strategies would in future be considered by the Planning Group in the first instance. A composite report on the Strategies would be brought forward for consideration by Finance Committee bi-annually.

**Action:**

**3.1**                Reports from all Board-approved Strategies (excluding Communications at present) will in future be considered by the Planning Group in the first instance. A composite report on the Strategies will then be brought forward for consideration by Finance Committee bi-annually.

### **FN/14 - 15/4      Communications Strategy** (Minute FN/13 - 14/103 of 12 .06.2014 refers)

The CFO advised the Committee that, following its meeting of 12.06.2014 the Director of Communications & Marketing has confirmed that a summary of Council decisions will, from September 2014, sit alongside Board decisions on the College Secretary's web pages and, furthermore, that staff will be advised via email once they are posted.

### **FN/14 - 15/5      Trinity Business & Innovation Hub (TBIH)**

The circulated memorandum from the College Bursar & Director of Strategic Innovation dated 15.09.2014, including the information provided in relation to the project background and current status, the decision sought along with supporting appendices, was considered in detail by the Committee. In noting the financial model as set out in Table 3, the Committee agreed that a breakdown of the rental income from the proposed student accommodation on Pearse Street be provided to the President of the Students Union as requested.

Having considered the next tranche of funding now sought, the Committee noted the cumulative level of investment in TBIH to date. Further noting the risks associated with cost inflation, the Committee endorsed the Board-approved cap on College investment in the project at €70m, agreeing that no further expenditure would be approved irrespective of the outcome of the project tendering process. In terms of the project progress, the Committee noted the dependency on the removal of an existing structure and, furthermore, that funding for the decanting of that structure's current activities had yet to be identified.

Having noted that the proposal had already been considered and approved by Board at its meeting of 17.09.2014, the Committee approved the investment sought as presented.

**Action:**

**5.1**                A breakdown of proposed rental income for student accommodation to be provided to the President of the Students Union.

### **FN/14 – 15/6      Strategic Plan 2014-2019 – Indicative Costings & Funding**

The Committee considered the circulated report from the CFO dated 15.09.2014, which accompanied a copy of the designed proof of the Strategic Plan 2014-19 the content of which was considered and approved by Board and Council at their joint meeting in June and which was noted by Board at its meeting of 17.09.2014.

Noting that business cases for certain elements of the Plan will come forward for consideration and approval in due course and, furthermore, that mechanisms to address the capital funding shortfall arising in relation to four main projects will be clearly set out in the business case for each, the Committee also requested that the CFO prepare a financial

commentary to underpin the management and delivery of the Strategic Plan for consideration at the next meeting. The Committee further noted that the shortfall in recurrent funding could be met through the appropriate re-allocation of resources over the lifetime of the plan. The key financial indicators/targets included in the plan were also noted as requested, in particular the change in the Exchequer/non-Exchequer income target.

**Action**

**6.1** The CFO to prepare a financial commentary to underpin the management and delivery of the Strategic Plan for consideration at the next meeting.

**FN/14 - 15/7**

**Annual Budgetary Cycle 2014/15**

The Senior ABC/FECP Accountant attended for this item.

In considering the Senior ABC/FECP Accountant's circulated 2014/15 Annual Budgetary Cycle report dated 15.09.2014, the Committee noted the income forecast for 2014/15 and the associated overall budget allocation for College, including the provision for the agreed repayment of the upfront investment in Board-approved strategies. Further noting the detail of the allocations made by area, the Committee requested that in future the totality of the allocation made to each Faculty/School/Area should be included. The challenges facing certain areas to meet budgeted targets in the context of the current level of non-discretionary costs (e.g. pay commitments etc.), were also noted.

**Action**

**7.1** The totality of the allocation made to each Faculty/School/Area to be included in future reports.

**FN/14 - 15/8**

**Financial Information System (FIS) Project Update**

(Minute FN/13 - 14/113 of 12 .06.2014 refers)

The FIS Project Manager attended for this item.

The Committee noted the circulated progress report on the FIS Project from the FIS Project Manager dated 12.09.2014 across the following headings:

- Solution
- Implementation Timetable (Phase 1 & Phase 2)
- Communications & Change Management
- Quality Assurance

In noting the budgeted position as set out, including the projected excess of expenditure over the approved budget of c.5% due to a specific reason flagged to the Project Steering Group in June 2013, the Committee noted that the Steering Group will be considering the matter at its next meeting and will bring forward a funding proposal to address the additional costs for the Committee's consideration later in Michaelmas Term. The Committee acknowledged the achievements to date and the challenges associated with the implementation of an enterprise-wide solution of this nature in addition to the need for the ongoing operational costs of supporting the system to be built into the College's operational budget. In the context of the ongoing quality assurance measures associated with the Project, the Committee further noted that the College's Internal Audit function will carry out a review of the project as part of its work plan for 2014/15.

Having also noted the 4-month timeline extension for the close-out of Phase 2 as outlined, the Committee requested that a further report on the Project would come forward to the November 2014 meeting.

**Action**

**8.1** A further update on the FIS Project to come forward to the November 2014 meeting.

**8.2** A funding proposal to address the additional project costs to be brought forward for consideration later in Michaelmas Term.

**FN/14 - 15/9**

**START Program Update**

(Minute FN/13 – 14/95 15.05.2014 refers)

The Director of Change Management attended for this item.

The Committee noted the circulated memorandum from the Director of Change Management dated 14.09.2014, and considered the status report on Phase 2 of the START Program as outlined, which included an introduction and background to the Program along with an update on the key deliverables of Phase 2. The Committee further noted the cost/benefit summary provided, in particular that the Program is currently achieving the benefits identified to Board within the agree timeframe. The level of investment in the Program to date and the permanent savings arising for College as a result, which will begin to manifest in 2015/16, were also noted. Thanking the Director of Change Management for his report, the Committee noted that, as the START Program comes to a conclusion, the CFO will be providing the next report in Hilary Term 2015.

**Action**

**9.1** The CFO to provide a further report in Hilary Term 2015.

**Section C**

**FN/14 - 15/10**

**Quarterly Accounts to 30 June 2014**

The Committee noted the circulated memorandum dated 15.09.2014 from the Financial Services Division, reporting on the Quarterly Accounts for the period to 30.06.2014, which set out a summary of the financial position in addition to further enhanced information across the following categories:

- Financial Analysis of College Faculties, Divisions & Other Areas (excl. Research)
- Research
- Analysis of Capital Projects

**FN/14 - 15/11**

**Planning Group Report #11**

The Committee noted the circulated memorandum from the CFO dated 15.09.2014 and the accompanying Report #11 of the Planning Group for the period mid-February to mid-June 2014, which had been considered and approved by Board on 25.06.2014.

**FN/14 - 15/12**

**FECF Status Report/Outcomes 2012/13**

(Minute FN/13 – 14/106 of 12.06.2014 refers)

The Committee noted the Senior ABC/FECF Accountant's circulated memorandum dated 15.09.2014, including the key points in relation to the sectoral FECF outputs for 2012/13 submitted to the HEA as outlined under the following headings:

- Consistency of the data with prior years
- Material change in clinical services costs
- The improvement in AAP data
- FEC & RGAM teaching costs per student
- Use of a 3-year average rate for research overhead

Noting the risks as set out along with the the next steps in relation to the 2013/14 outputs, the Committee acknowledged the strategic value of the data provided in the report in the context of identifying the actual costs incurred versus the funding received for teaching and research.

**FN/14 - 15/13 Treasury Management Quarterly Update**

In accordance with the Treasury Management Policy, the Committee noted the circulated memorandum and accompanying appendices from the Financial Planning Manager dated 15.09.2014, setting out an update for the period 1.10.2013 to 31.08.2014.

**FN/14 - 15/14 Consolidated Financial Reporting & Budgeting**

The Committee noted the memorandum from the CFO dated 15.09.2014, considered by Board in June 2014, in particular the Board’s recommendation that the basis of forecasting and reporting would be reviewed at a sectoral level. The Committee recognised the need for a provision for infrastructural renewal to ensure productive capacity in the absence of future capital grant funding and noted that the planned Estates Strategy being prepared by Bursar would identify and prioritise the level of funding required going forward to maintain the campus infrastructure.

**FN/14 - 15/15 Trinity Biomedical Sciences Institute (TBSI)**  
(Minute FN/13-14/103 of 12.06.2014 refers)

The Committee noted the circulated memorandum from the CFO dated 15.09.2014, enclosing an updated report from the Executive & Technical Director of TBSI on all research proposals submitted and awards made in the financial year to 31.05.2014.

**FN/14 - 15/16 Minutes of Estates Policy Committee**

The Committee noted the draft minutes of the Estates Policy Committee meeting of 28.08.2014, as circulated.

**FN/14 - 15/17 Minutes of Commercial Revenue Unit Board**

The Committee noted the draft minutes of the Commercial Revenue Unit Board meeting of 27.08.2014, as circulated.

**FN/14 - 15/18 Related Entity Financial Reporting**  
**XX**

The Committee noted circulated documents as set out below, and recommended that they be forwarded to Board for noting:

- HEAnet – Directors’ Report and audited Financial Statements for the year ended 31.12.2013
- Science Gallery International - Directors’ Report and audited Financial Statements for the year ended 30.09.2013

**Action**

**18.1** The Directors’ Reports and Annual Financial Statements of HEAnet and Science Gallery International for the years ending 31.12.2013 and 30.09.2013 respectively, to be forwarded to Board for noting.

The Committee noted that the next Finance Committee meeting is scheduled for Wednesday, 29 October 2014 at 2.30p.m. in the Provost’s Library.

PROVOST.....

DATE.....